

Message Text

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67

ORIGIN STR-08

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 IO-14 ISO-00

SSO-00 NSCE-00 INRE-00 USIE-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02

SS-20 TAR-02 TRSE-00 PRS-01 SPC-03 OMB-01 /224 R

DRAFTED BY STR HFPROPPS/SLANDE

APPROVED BY STR :HMALMGREN

STATE JRENNER

TREASURY HWORTHINGTON

COMMERCE :ABBUHL

AGRICULTURE :RGOODMAN

STR :RBRUNGART

----- 037605

O R 072250Z JAN 74

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS IMMEDIATE

USMISSION GENEVA PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY DUBLIN PRIORITY

AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY LUXEMBOURG PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY ROME PRIORITY

INFO AMEMBASSY BRASILIA

AMEMBASSY CANBERRA

AMEMBASSY KUALA LUMPUR

AMEMBASSY NEW DELHI

AMEMBASSY PRETORIA

AMEMBASSY TOKYO

USMISSION OECD PARIS

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AMEMBASSY OTTAWA

C O N F I D E N T I A L STATE 003076

E.O. 11652 :GDS

TAGS : ETRD, EC US

SUBJECT : GATT ARTICLE XXIV :6 RENEGOTIATIONS WITH EC

REF :STATE 246403

1. ACTION. USMISSION GENEVA SHOULD DELIVER FOLLOWING AIDE MEMOIRE TO COMMISSION REPRESENTATIVE IN GENEVA ON JAN. 14. USEC BRUSSELS SHOULD REQUEST MEETING FOR AMBASSADOR MALMGREN ON JANUARY 14 TO PROVIDE COPIES OF AIDE MEMOIRE AND CONVEY HIGH-LEVEL VIEWS PER PARA 4 BELOW. EMBASSIES, EC CAPITALS SHOULD ALSO DELIVER INFO COPY JAN. 14 AND INFORM HOST GOVERNMENTS THAT US WILL DESIRE BILATERAL DISCUSSION OF SUBJECT IN JANUARY. THESE ACTIONS AND HIGH-LEVEL VISIT BY AMBASSADOR MALMGREN ARE PURSUANT TO PRESIDENTIAL DECISION.

2. BEGIN TEXT AIDE MEMOIRE. "THE GOVERNMENT OF THE UNITED STATES HAS CAREFULLY CONSIDERED THE PROPOSAL OF THE EUROPEAN COMMUNITY THAT, IN NEGOTIATIONS PURSUANT TO ARTICLE XXIV :6 OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), ITS NEGOTIATING PARTNERS -- INCLUDING THE UNITED STATES -- AGREE TO THE WITHDRAWAL OF THE CONCESSIONS OF THE EUROPEAN COMMUNITY (OF SIX), DENMARK, IRELAND, AND THE UNITED KINGDOM AND THE REPLACEMENT OF THESE CONCESSIONS BY THOSE PROPOSED IN THE COMMUNICATION TO THE GATT CONTRACTING PARTIES OF JANUARY 11, 1973, AND IN THE EC SUPPLEMENTAL OFFER OF DECEMBER 13, 1973. THE ESSENTIAL FEATURE OF THE COMMUNITY'S PROPOSAL OF JANUARY 11 WAS THAT THE NEW SCHEDULE OFFERED BY THE ENLARGED COMMUNITY SHOULD CONSIST OF DUTY BINDINGS AT RATES HITHERTO BOUND IN GATT BY THE EC (OF SIX). AS THE US DELEGATION IN GENEVA INFORMED THE EC DELEGATION LAST JULY, THE UNITED STATES DID NOT FIND THE JANUARY 11 PROPOSAL OF THE COMMUNITY ACCEPTABLE; IT WOULD HAVE ENTAILED UNITED STATES AGREEMENT TO NET INCREASES IN BOUND DUTIES OR TO THE WITHDRAWAL OF BINDINGS ON SOME 667 ITEMS, EACH OF WHICH WAS SUBJECT TO DANISH, IRISH OR BRITISH CONCESSIONS IN WHICH THE CONFIDENTIAL

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UNITED STATES CLAIMS AN INTEREST AS COUNTRY OF INITIAL NEGOTIATION, PRINCIPAL SUPPLIER, OR SUBSTANTIAL SUPPLIER. THE UNITED STATES DID NOT FIND IN THE NEW BINDING OFFERED BY THE ENLARGED COMMUNITY FULL COMPENSATION FOR THE PROPOSED WITHDRAWALS OF THE SCHEDULES OF THE EUROPEAN COMMUNITY, DENMARK, IRELAND AND THE UNITED KINGDOM. NEVERTHELESS, AS WAS EXPLAINED TO THE EC DELEGATION, THE UNITED STATES WAS PREPARED TO AGREE TO THE WITHDRAWALS AND TO THEIR REPLACEMENT AS PROPOSED, PROVIDED THE EC PROPOSAL COULD BE MODIFIED TO INCLUDE CERTAIN NEW CONCESSIONS OF INTEREST TO THE U.S. THE UNITED STATES DOES NOT FIND THE EUROPEAN COMMUNITY'S SUPPLEMENTAL OFFER OF DECEMBER 13 ADEQUATE, ALTHOUGH 17 OF THE 50 ITEMS AND

SUB-ITEMS LISTED ARE OF VALUE TO THE UNITED STATES AT THE RATES OFFERED FOR BINDING. SEVEN OTHER ITEMS WOULD BE OF INTEREST IF THE PROPOSED TREATMENT COULD BE SUFFICIENTLY IMPROVED. THE REMAINING 26 ARE ITEMS WHICH THE U.S. ASSUMES TO BE OF INTEREST TO OTHER COUNTRIES NEGOTIATING WITH THE EC AT THIS TIME, BUT ARE OF NO INTEREST TO THE U.S. A MAJOR DEFICIENCY OF THE COMMUNITY'S PROPOSALS, TO DATE, IS THE OMISSION OF ANY MENTION OF CEREALS. THE UNITED STATES HAS IMPORTANT RIGHTS, AS COUNTRY OF INITIAL NEGOTIATION (I) OR AS PRINCIPAL SUPPLIER (P), IN CEREALS CONCESSIONS IN THE SCHEDULES OF DENMARK AND THE UNITED KINGDOM.

IN DENMARK

DANISH RIGHT

COMMODITY ITEM RATE CLAIMED

WHEAT EX10.01 FREE I

BARLEY -- -- --

CORN -- -- --

RICE -- -- --

10.06B 5 PERCENT P

SORGHUM -- -- --

IN THE UNITED KINGDOM

UK ITEM RATE RIGHT CLAIMED

10.01A FREE I

10.03 * 10 PERCENT I

10.05B *FREE I

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CON *DENTIAL

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10.06A FREE P

10.06B POUNDS :0.15 P

PER CWT

EX10.07A 10 PERCENT I?

THE UNITED STATES BELIEVES THAT THE PROVISION OF COMPENSATION OF EQUIVALENT VALUE IN EXCHANGE FOR THE CONCESSIONS WITHDRAWN SHOULD BE CARRIED OUT IN ACCORDANCE WITH THE REQUIREMENTS AND PROCEDURES PROVIDED IN GATT ARTICLES XXIV:6 AND XXVIII. RECOGNIZING THAT THE MATTER IS COMPLEX -- PARTICULARLY AS REGARDS THE CEREALS CONCESSIONS CITED ABOVE -- THE UNITED STATES NEVERTHELESS WISHES TO COOPERATE IN ADVANCING AS RAPIDLY AS POSSIBLE TO A SUCCESSFUL CONCLUSION. AS NOTED ABOVE, THE UNITED STATES RECOGNIZES THAT THE EUROPEAN COMMUNITY HAS ALREADY MADE SOME IMPROVEMENTS IN ITS INITIAL OFFER. THE U.S. GOVERNMENT BELIEVES THAT IT MIGHT ASSIST IN DEVELOPMENT OF AN AGREED SOLUTION BY PRESENTING ITS OWN SPECIFIC REQUESTS SO THAT A MUTUAL EFFORT CAN BE MADE TO RESOLVE THIS IMPORTANT PROBLEM. ACCORDINGLY, THE UNITED STATES PROPOSES THAT AN EFFORT BE MADE TO REACH AGREEMENT

ON THE ADJUSTMENT OF CONCESSIONS FIRST OF NON-CEREALS ITEMS AND THEN ON CEREALS ITEMS. THE GENERAL OUTLINE OF THE UNITED STATES' COUNTER-PROPOSAL FOLLOWS. THIS OUTLINE IS PRESENTED AS A BASIS FOR DISCUSSION IN THE SEARCH FOR A SATISFACTORY AGREEMENT.

A. IF THE GLOBAL OFFER OF THE EUROPEAN COMMUNITY CAN BE SUITABLY IMPROVED, THE UNITED STATES WOULD THEN BE PREPARED TO ACCEPT THE TREATMENT PROPOSED BY THE EC FOR ALL ITEMS OTHER THAN EIGHT CEREAL ITEMS (IDENTIFIED IN THE COMMON EXTERNAL TARIFF OF THE EUROPEAN COMMUNITY AS ,0.01A, 10.01B, 10.02, 10.03, 10.05B, 10.06A, 10.06B, AND 10.07C) AS A PARTIAL SETTLEMENT OF ITS CLAIMS UNDER ARTICLE XXIV :6 WHILE CONTINUING TO NEGOTIATE FOR SETTLEMENT OF ITS CLAIMS ON CEREALS. FOR CEREALS, INCLUDING RICE, THE INTERIM AGREEMENT WOULD PROVIDE THAT :

1. ALL UNITED STATES RIGHTS WITH RESPECT TO SUCH PRODUCTS SHALL REMAIN UNIMPAIRED; AND

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2. THE PARTIES SHALL CONTINUE NEGOTIATIONS FOR COMPENSATION FOR WITHDRAWAL OF DANISH, IRISH AND UK CEREALS (INCLUDING RICE) CONCESSIONS IN WHICH THE UNITED STATES HAS AN INTEREST, WITHIN A TIMETABLE TO BE MUTUALLY AGREED.

B. FOR THE FOLLOWING SEVEN NON-CEREALS ITEMS AND SUB-ITEMS WHICH WOULD BE OF INTEREST TO THE UNITED STATES

<< END OF DOCUMENT >>

Message Attributes

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Draft Date: 07 JAN 1974
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: SUBJECT : GATT ARTICLE XXIV :6 RENEGOTIATIONS WITH EC
TAGS: ETRD, US, EEC
To: EC BRUSSELS
GENEVA
BONN
BRUSSELS
COPENHAGEN
DUBLIN
THE HAGUE

LONDON
LUXEMBOURG
PARIS
ROME INFO BRASILIA
CANBERRA
KUALA LUMPUR
NEW DELHI
PRETORIA
TOKYO
OECD PARIS
OTTAWA

Type: TE

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